

# Debate on energy efficiency measures in buildings to achieve net zero

## House of Commons

Wednesday 26 February 2020



### KEY MESSAGES

- Across the country, councils are delivering on our shared ambitions to accelerate housebuilding by, investing in, and building affordable, high quality, sustainable and energy-efficient homes. Council housebuilding has incorporated high environmental standards that also help low income households achieve affordable energy bills.
- We support the intention of the Government's proposals to future-proof new build homes with low carbon heating and world-leading levels of energy efficiency. The Government's manifesto commitment for a £3.8 billion capital Social Housing Decarbonisation Fund is positive. We look forward to working with the Government to ensure effective implementation.
- However, as the residential sector alone accounts for an estimated 18 per cent of UK emissions, there is a huge potential to drive carbon reduction here. We would like to see the Government proposals go further.<sup>i</sup>
- The consultation on the Future Homes Standard proposes two options to uplift energy efficiency standards and requirements. The standards proposed in Government's preferred option are too low and will require costly retrofitting to those dwellings in the future.
- Local authorities are leading the way towards achieving net zero carbon, increasingly with ambitious plans to achieve this before the Government's 2050 target. The Government has proposed to amend the Planning and Energy Act 2008 to restrict local planning authorities from setting higher energy efficiency standards for new homes. Councils have been driving forward housing standards and sustainable development and they should not be restricted in their ambitions.
- In addition, the National Infrastructure Strategy should consider the case for capital funding for the delivery of new or retro-fitted environmentally friendly homes and commercial buildings. As a significant majority of the homes that will be in place by 2050 have already been built, this should include retro-fitting existing homes as well as new-builds.
- As part of our sector-led improvement work, the LGA offers a wide range of support to help councils address the issues of climate change and environmental sustainability. This includes support from Local Partnerships, including their Re:fit programme helping councils implement energy efficiency and local energy generation measures to their buildings or their estate, to reduce carbon emissions and achieve savings. Over 250 organisations have already engaged Re:fit.<sup>ii</sup>

# Briefing

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## **BACKGROUND INFORMATION**

### **Housing Building & Infrastructure**

Housing is a key area where technological and lifestyle efforts can contribute to net zero. Through their role in house building and planning, councils will be critical in helping to deliver this ambition. Across all sectors, local authorities are already leading the way to achieving carbon neutrality, increasingly well before the national 2050 target. This includes embedding climate resilience and related measures to achieve net zero carbon and sustainable outcomes into all their plans and strategies across housing, transport, planning, infrastructure. The last time we built at least 250,000 homes a year, councils delivered more than 40 per cent of them.<sup>iii</sup>

The National Infrastructure Strategy should also consider the case for capital funding for the delivery of new or retro-fitted environmentally friendly homes and commercial buildings. As a significant majority of the homes that will be in place by 2050 have already been built, this should include retro-fitting existing homes as well as new-builds.

### **The Future Homes Standard**

We support the intention of the Government's recent proposals to future-proof new build homes with low carbon heating and world-leading levels of energy efficiency. The Government's manifesto commitment for a £3.8 billion capital Social Housing Decarbonisation Fund is positive.

However, as the residential sector alone accounts for an estimated 18 per cent of UK emissions, there is a huge potential to drive carbon reduction here. We have concerns that Government proposals do not go far enough.<sup>iv</sup>

We support the principle of the proposed upgrades to the current Part L (Conservation of Fuel and Power) energy efficiency standards in 2020 for new homes, including wider impacts of Part L for new homes and changes to Part F (Ventilation). This will be essential in paving the way for the Future Homes Standard from 2025, and supporting the scaling up of low carbon technologies to decarbonise our existing housing stock.

We also support the proposals to increase the quality and carbon neutrality of both new build and existing housing stock. This is part of the wider transition necessary to achieve net zero carbon across all sectors.

Local authorities are leading the way towards achieving net zero carbon, increasingly with ambitious plans to achieve this before the government's 2050 target. The LGA strongly rejects any proposals that would restrict local planning authorities from setting higher energy efficiency standards for new homes. Many authorities have already been successful in achieving higher energy efficiency standards in new developments or requiring a financial contribution to a carbon offset fund where they are unable to meet more stringent standards. Restricting local authorities could stymie this progress.

We recognise that the government's preferred option is Option 2 ('Fabric plus technology') which is intended to deliver 31 per cent improvement on the current Part L standard, (compared to Option 1 ('Future Homes Fabric'), a 20 per cent improvement). Page 2 of 10 However, we do not think this is ambitious enough. There is a risk that allowing the lower fabric standards of Option 2 (compared to those proposed in Option 1) will require costly retrofitting to those same dwellings in the future. We encourage the government to consider an option that includes the higher fabric standards in Option 1 plus the technology improvement in Option 2 to secure a greater reduction on energy demand.

We have concerns that a ‘direct electric’ approach risks resulting in significant additional demands on the existing electricity grid, impacting detrimentally on the supply of power to homes and businesses, particularly in places where the capacity of existing networks are already stretched. In addition, those already living with fuel poverty are unlikely to get relief with this short-term solution.

The proposals for new homes standards come alongside several other proposals for ambitious capital programmes. All of these will impact on the capacity of stock-owning local authorities at a time when more than nine in ten are looking to increase their delivery of urgently-needed new homes. Any proposal for a new Future Homes Standard must acknowledge and recognise the cost implications and will require greater government investment to ensure delivery on all these programmes.

We also have concerns that the Future Homes Standard Impact Assessment does not currently cover buildings over four storeys. Given the Government’s recent announcements on new measures to improve building safety standards, we recommend an updated or new impact assessment on the implications of the two proposed options for buildings affected by the ban on combustible materials before finalising the text of Part L government updates. Alternatively, we recommend the Government develops a new impact assessment to reflect the implications of the two proposed options for buildings affected by the ban on combustible materials.

### **Innovative, collaborative approaches to achieving sustainable housing**

Councils have been driving forward housing standards and sustainable development and demonstrating how it is achievable.<sup>v</sup> In particular, council housebuilding has incorporated high environmental standards that also help low income households achieve affordable energy bills.

A key example is the Passivhaus Social scheme which, supported by Passivhaus Trust, is a partnership between local authorities and housing associations that adopts and implements the Passivhaus Standard.<sup>vi</sup> Benefits include energy savings leading to fuel poverty eradication, reduced maintenance and lifecycle costs, better sound proofing (e.g. intertenancy transfer), market value increase (rent and sale capital), and less ongoing capital investment.<sup>vii</sup>

The Government’s Standard Assessment Procedure (SAP) which is used to monitor the energy efficiency of homes also illustrates how the social housing sector more broadly is leading the way. In 2017, social housing stock had an average SAP rating of 68, compared to the private sector which had an average rating of 61.<sup>viii</sup>

### **Sector-led Improvement**

As part of our sector-led improvement work, the LGA offers a wide range of support to help councils address the issues of climate change and environmental sustainability, including support from Local Partnerships and their Re:fit programme. This is helping councils implement energy efficiency and local energy generation measures to their buildings or their estate, to reduce carbon emissions and achieve savings. Over 250 organisations have already engaged Re:fit and over £180 million of works has been procured across more than 1,000 buildings saving in excess of 52,000 tonnes of CO<sub>2</sub> and £10m of energy costs each year. The current pipeline is over £91 million and growing.<sup>ix</sup>

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<sup>i</sup> Department for Business, Energy & Industrial Strategy, 2018 Greenhouse Gas Emissions,

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Provisional Figures, Statistical Release: National Statistics, March 2019.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/790626/2018-provisional-emissions-statistics-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/790626/2018-provisional-emissions-statistics-report.pdf)

<sup>ii</sup> <https://localpartnerships.org.uk/our-expertise/re-fit/>

<sup>iii</sup> LGA Media release, March 2018 (<https://www.local.gov.uk/about/news/lga-responds-latestgovernment-house-building-figures>)

<sup>iv</sup> Department for Business, Energy & Industrial Strategy, 2018 Greenhouse Gas Emissions, Provisional Figures, Statistical Release: National Statistics, March 2019.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/790626/2018-provisional-emissions-statistics-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/790626/2018-provisional-emissions-statistics-report.pdf)

<sup>v</sup> <https://www.local.gov.uk/topics/housing-and-planning/innovation-council-housebuilding/innovation-council-housebuilding-9>

<sup>vi</sup> Passivhaus Social Housing, Passivhaus Trust, nd.

[https://www.passivhaustrust.org.uk/competitions\\_and\\_campaigns/passivhaus-for-local-authorities/](https://www.passivhaustrust.org.uk/competitions_and_campaigns/passivhaus-for-local-authorities/)

<sup>vii</sup> Passivhaus Construction Costs, Passivhaus Trust, October 2019.

[https://www.passivhaustrust.org.uk/UserFiles/File/research%20papers/Costs/2019.10\\_Passivhaus%20Construction%20Costs.pdf](https://www.passivhaustrust.org.uk/UserFiles/File/research%20papers/Costs/2019.10_Passivhaus%20Construction%20Costs.pdf)

<sup>viii</sup> Ministry of Housing, Communities & Local Government, English Housing Survey Headline report, 2017-20218.

<sup>ix</sup> <https://localpartnerships.org.uk/our-expertise/re-fit/>